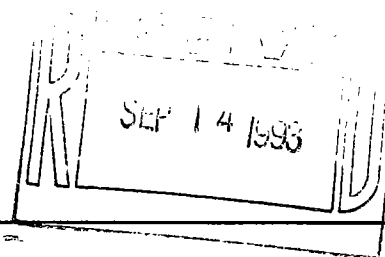


NEVADA GOLDFIELDS INC.

BARITE HILL PROJECT

Highway 221 & State Road 33-162
P.O. Box 1510
McCormick, South Carolina 29835
Phone 803/465-3321 Fax 803/465-4308



September 13, 1993

Craig Kennedy
Assistant Director
Mining and Reclamation Div.
South Carolina Land Resources Conservation Commission
2221 Devine Street, Suite 222
Columbia, South Carolina 29205

Dear Craig:

Per our conversation on acid base testing, to date, I am forwarding the following information.

Modifying Table 1, from the October 30, 1989 letter from D.P. Engineering to Craig Kennedy, to reflect current planned tonnages results in the following:

TABLE 1 - PERCENTAGE OF WASTE LITHOLOGIES

<u>Lithology</u>	<u>Main Pit</u>	<u>Rainsford Pit</u>
Metasediments	27.0% = 810,000 t	50.0% = 200,000 t
Felsic tuffs*	45.0% = 1,350,000 t	35.2% = 140,800 t
Quartz Porphyry	7.4% = 222,000 t	13.1% = 52,400 t
Mafic Intrusive	15.7% = 471,000 t	1.7% = 6,800 t
Baritic Rock*	4.9% = 150,000 t	
Total Waste Rock	3.0 x 10 ⁶ t	.40 x 10 ⁶ t

* The baritic rock lithology is more prevalent than originally estimated, it occurs with the felsic tuff, this estimate is still conservative. All of the other lithology percentage estimates are still acceptably close.

Sixteen additional samples have been analyzed to date for acid generating potential in addition to the original twenty one samples detailed by D. P. Engineering, March 1991. An additional 76 samples from the recent sulfide drilling and leach pad are currently undergoing testing at two outside labs with 25 more samples scheduled to go out in the near future. Results

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from this testing are expected late in September.

In-house tests were conducted using peroxide oxidizable test protocol as outlined in the previously submitted Acid Producing Waste Management Plan. The results of this testing and the associated lithology is as follows:

<u>Sample ID</u>	<u>Lith.</u>	<u>ANP</u>	<u>APP</u>	
Main Pit #1	M	4.0	<0.1	Main Pit 490 to 475 bench
Main Pit #2	M	9.9	<0.1	"
Main Pit #3	M	<0.1	<0.1	"
Main Pit #4	M	<0.1	<0.1	"
Main Pit #5	M	0.3	<0.1	"
Main Pit #6	FT	<0.1	31.5	Main Pit 460 Bench
Main Pit #7	FT	<0.1	35.2	"
Dump #1*	FT	<0.1	42.6	<5% Pyrite Rainsford
Dump #2*	FT	<0.1	40.0	"
Dump #3*	FT	<0.1	57.9	5-15% Pyrite Rainsford
Dump #4*	FT	<0.1	90.8	>15% pyrite Rainsford
Main Pit #8	M/FT	<0.1	6.9	Main Pit 445 bench
Main Pit #9	"	<0.1	7.2	#'s 8 - 12 are composed
Main Pit #10	"	<0.1	7.8	of 80% M and 20% FT
Main Pit #11	"	<0.1	10.4	"
Main Pit #12	"	<0.1	8.4	"

* This waste is located in the Rainsford dump which will be backfilled into the Rainsford pit. It is not intended to represent the entire dump rather it was a check on the visual pyrite versus APP.

As soon the additional test values are available, the end of the month, they will be forwarded to your office.

Sincerely,



Richard Dye, P.E.
Project Manager